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Secured Lenders constitute the largest creditor claims against MobileMedia in the bankruptcy proceedings. Based on the Secured Lenders' demonstration of a significant financial stake in this proceeding, the Commission has granted them intervenor status in this case.^{2/}

Secured Lenders strongly support a grant of the Application. In this proceeding, the Commission has indicated that the test for *Second Thursday* relief will be met where MobileMedia has made a showing that "individuals charged with misconduct will have no part in . . . proposed operations and will either derive no benefit from . . . the [assignment or transfer] application or will receive only a minor benefit which is outweighed by equitable considerations in favor of innocent creditors."^{3/} That test is clearly met here.

As detailed in the Application, the four alleged wrongdoers in this proceeding "will have no part in the . . . operations [of the future licensee]."^{4/} MobileMedia and Arch have demonstrated that none of the suspected wrongdoers is employed by either company, and that none will play any role in a combined entity. See Joint Petition to Terminate and for Special Relief at 28. Likewise, since all equity interests in MobileMedia will be canceled under the Amended Plan, no distribution will be made to any wrongdoer as a result of this transaction. See *id.* at 29.

^{2/} *MobileMedia Corp., et al.*, 12 FCC Rcd 11861 (1997).

^{3/} *MobileMedia Corp., et al.*, 12 FCC Rcd 7927, 7928 (1997) ("*Stay Order*") (citing *Second Thursday Corp.*, 22 FCC 2d 515, 516, *recon. granted in part*, 25 FCC 2d 112 (1970)); see also *MobileMedia Corp., et al.*, 13 FCC Rcd 14770 (1998); *MobileMedia Corp., et al.*, 13 FCC Rcd 10634 (1998); *MobileMedia Corp., et al.*, 12 FCC Rcd 11861 (1997).

^{4/} *Second Thursday*, 22 FCC 2d at 516.

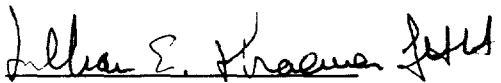
Earlier in this proceeding, the Commission emphasized “[the] danger of severe harm to a multitude of innocent creditors here.”^{5/} At the same time, the Commission specifically recognized the protection of innocent creditors as a core public interest consideration underlying *Second Thursday*.^{6/} Here, it is clear that approval of the proposed transaction will advance the interests of innocent creditors, including the substantial financial stake held by these Secured Lenders. As detailed in the Application, the proposed transaction will preserve the economic value of more than \$1.1 billion currently owed by MobileMedia to innocent parties. *See* Joint Petition at 2. It will enable the Secured Lenders to receive 100% of the principal amount of the secured bank debt (\$649 million) in cash, comprising a \$479 million payment by Arch and \$170 million in proceeds already distributed by MobileMedia from the sale of its tower site assets on September 3, 1998. *See* Attachment A to Supplement to Petition to Terminate and for Special Relief at 1. Unsecured creditors of MobileMedia, whose claims aggregate approximately \$480 million, will collectively receive rights entitling them (or their assignees) to acquire a majority equity position in the post-merger entity. *Id.* Accordingly, the proposed transaction will safeguard the interests of innocent creditors in accordance with the principles of *Second Thursday*.

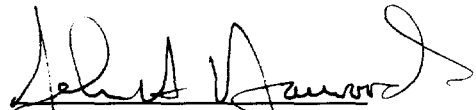
^{5/} *Stay Order*, 12 FCC Rcd at 7931.

^{6/} *Id.* In applying the *Second Thursday* doctrine, the Commission is obliged to give substantial deference to the objectives of the bankruptcy code and in particular to the protection of innocent creditors such as the Secured Lenders. *See LaRose v. FCC*, 494 F.2d at 1145, 1147-48 (D.C. Cir. 1974). In *LaRose*, the D.C. Circuit required the Commission to “accommodate the policies of federal bankruptcy law with those of the Communications Act.” *Id.* at 1146, n.2.

For the foregoing reasons, the Secured Lenders urge the Commission promptly to terminate the MobileMedia hearing and grant the Application in order to expedite MobileMedia's emergence from bankruptcy and prevent any further deterioration of MobileMedia's business to the detriment of innocent creditors.

Respectfully submitted,


Lillian E. Kraemer
Brian Trust
Kerry Mithalal
SIMPSON THACHER & BARTLETT
425 Lexington Avenue
New York, New York 10017
(212) 455-2000


John H. Harwood II
William R. Richardson, Jr.
Michael A. McKenzie
WILMER, CUTLER & PICKERING
2445 M Street, N.W.
Washington, D.C. 20037-1420
(202) 663-6000

Counsel for The Chase Manhattan Bank,
Agent for Secured Prepetition and Postpetition Lenders

November 16, 1998

CERTIFICATE OF SERVICE

I, Michael A. McKenzie, hereby certify that on this 16th day of November 1998, I caused copies of the foregoing "Comments Of Secured Lenders In Support Of Applications For Transfer Of Control And Petition To Terminate And For Special Relief" to be served by hand delivery, unless otherwise indicated, on the following:

The Honorable William H. Kennard
Federal Communications Commission
1919 M Street, N.W., Room 814
Washington, D.C. 20554

The Honorable Susan Ness
Federal Communications Commission
1919 M Street, N.W., Room 832
Washington, D.C. 20554

The Honorable Michael K. Powell
Federal Communications Commission
1919 M Street, N.W., Room 844
Washington, D.C. 20554

The Honorable Harold W. Furchtgott-Roth
Federal Communications Commission
1919 M Street, N.W., Room 802
Washington, D.C. 20554

The Honorable Gloria Tristani
Federal Communications Commission
1919 M Street, N.W., Room 826
Washington, D.C. 20554

Christopher Wright
General Counsel
Federal Communications Commission
1919 M Street, N.W., Room 614
Washington, D.C. 20554

David Solomon
Deputy General Counsel
Federal Communications Commission
1919 M Street, N.W., Room 614
Washington, D.C. 20554

John I. Riffer
Office of the General Counsel
Federal Communications Commission
1919 M Street, N.W., Room 610
Washington, D.C. 20554

The Honorable Joseph Chachkin
Office of Administrative Law Judges
Federal Communications Commission
2000 L Street, N.W., Room 226
Washington, D.C. 20554

Daniel B. Phythyon
Chief, Wireless Telecommunications Bureau
Federal Communications Commission
2025 M Street, N.W., Room 5002
Washington, D.C. 20554

Kathleen O'Brien Ham
Deputy Chief,
Wireless Telecommunications Bureau
Federal Communications Commission
2025 M Street, N.W., Room 5002
Washington, D.C. 20554

Catherine W. Seidel
Chief, Enforcement Division
Wireless Telecommunications Bureau
Federal Communications Commission
2025 M Street, N.W., Room 8303
Washington, D.C. 20554

Myron Peck
Deputy Chief, Enforcement Division
Wireless Telecommunications Bureau
Federal Communications Commission
2025 M Street, N.W., Room 8308
Washington, D.C. 20554

Gary P. Schonman
Enforcement Division
Wireless Telecommunications Bureau
Federal Communications Commission
2025 M Street, N.W., Room 8308
Washington, D.C. 20554

John Schauble
Enforcement Division
Wireless Telecommunications Bureau
Federal Communications Commission
2025 M Street, N.W., Room 8308
Washington, D.C. 20554

Steve E. Weingarten
Chief, Commercial Wireless Division
Wireless Telecommunications Bureau
Federal Communications Commission
2100 M Street, N.W., Suite 700
Washington, D.C. 20554

Stephen Markendorff
Deputy Chief, Commercial Wireless Bureau
Wireless Telecommunications Bureau
2100 M Street, N.W., Suite 800
Washington, D.C. 20554

Paul D'Ari
Commercial Wireless Division
Wireless Telecommunications Bureau
2100 M Street, N.W., Suite 700
Washington, D.C. 20554

Elizabeth Williams
Commercial Wireless Division
Wireless Telecommunications Bureau
2100 M Street, N.W., Suite 700
Washington, D.C. 20554

D'wana R. Terry
Chief, Public Safety and Private Wireless
Division
Wireless Telecommunications Bureau
2025 M Street, N.W. Room 8002
Washington, D.C. 20554

Karen Wrege
Co-Chair ULS Task Force
Wireless Telecommunications Bureau
Federal Communications Commission
2025 M Street, N.W., Room 5002
Washington, D.C. 20554

Stephen C. Buenzow
Licensing and Technical Analysis Branch
Wireless Telecommunications Bureau
Federal Communications Commission
1270 Fairfield Road
Gettysburg, PA 17325
By first-class mail

David Steimling
Licensing and Technical Analysis Branch
Wireless Telecommunications Bureau
Federal Communications Commission
1270 Fairfield Road
Gettysburg, PA 17325
By first-class mail

Kathryn A. Zachem
Kenneth D. Patrich
Carolyn W. Groves
John B. Branscome
Wilkinson Barker Knauer & Quinn, L.L.P.
2300 N Street, N.W., Suite 700
Washington, D.C. 20037-1128
For Arch Communications Group, Inc.
By first-class mail

Richard E. Wiley
Robert L. Pettit
Peter D. Shields
Nancy J. Victory
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006
For MobilMedia Corporation,
Debtor-In-Possession
By first-class mail

Phillip L. Spector
Patrick S. Campbell
Paul, Weiss, Rifkind, Wharton & Garrison
1615 L Street, N.W., Suite 1300
Washington, D.C. 20036
For the Unsecured Creditors
By first-class mail

Dennis P. Corbett
Leventhal, Senter & Lerman
2000 K Street, N.W., Suite 600
Washington, D.C. 20006-1809
For Hellman & Friedman Capital Partners,
II, L.P.
By first-class mail

Michael D. Hayes
Dow, Lohnes & Albertson
1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036-6802
For David A. Bayer
By first-class mail

Louis Gurman
Kimberly D. Wheeler
Gurman, Blask & Freedman, Chartered
1400 16th Street, N.W., Suite 500
Washington, D.C. 20036
For Western Wireless Corporation
By first-class mail

Lillian Kraemer
Brian Trust
Kerry Mithalal
Simpson, Thacher & Bartlett
425 Lexington Avenue
New York, NY 10017
For the Chase Manhattan Bank, as agent for
secured lenders of MobileMedia Corporation
By first-class mail

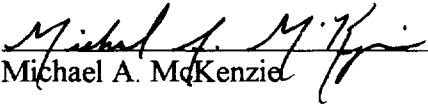
David S. Kurtz
Jones, Day, Reavis & Pogue
77 West Wacker
Chicago, IL 60601-1692
For the Unsecured Creditors
By first-class mail

Ky E. Kirby
Swidler & Berlin Chtd.
3000 K Street, N.W., Suite 300
Washington, D.C. 20007-5116
For John M. Kealey
By first-class mail

David Spears
James M. Aquilina
Richard Spears Kibbe & Orbe
One Chase Manhattan Plaza, 57th Floor
New York, NY 10005-1413
For John M. Kealey
By first-class mail

W. Neil Eggleston
Evan J. Werbel
Howrey & Simon
1299 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
For Debra P. Hilson and Mark L.
Witsaman
By first-class mail

James C. Mingee
Mingee & Associates
4084 Coker Road
Jackson, MS 39213
For Glynn Ingram
By first-class mail


Michael A. McKenzie